

BUDGET HEARING
FY 2006 BUDGET REQUEST OF THE OFFICE OF THE
CHIEF FINANCIAL OFFICER (OCFO)

Before the
Committee on Finance and Revenue
Council of the District of Columbia

The Honorable Jack Evans, Chairman

April 13, 2005
Council Chambers



Testimony of
Anthony F. Pompa
Deputy Chief Financial Officer
Office of Financial Operations and Systems

Natwar M. Gandhi
Chief Financial Officer
Government of the District of Columbia

Good morning, Chairman Evans and committee members. My name is Anthony Pompa. I am the Deputy Chief Financial Officer for the Office of Financial Operations and Systems (OFOS), and I am pleased to present the following testimony about the FY 2006 budget request for OFOS and related matters for the record.

FY 2006 Budget Request

For FY 2006, OFOS is requesting a total budget of 127 FTEs and \$13 million. This represents a net decrease of 9 FTE's due to the transfer of the Benefits Administration to the D.C. Retirement Board. The overall fiscal year 2006 budget has an increase of \$935 thousand, which is a result of union pay increases and retroactive harmonization pay. This level of funding supports two major departments within OFOS: the Office of Financial Operations (Controller) and the Office of Pay and Retirement Services (OPRS).

FY 2005 Accomplishments

As I stated at the February 2005 oversight hearing, we continue to make improvements in overall operations in Fiscal Year 2005. The monthly closings continue, while the March interim closing is currently in progress. We also plan to prepare interim financial statements for the nine months ending June 30, 2005; The Accounting Systems Managers (ASMs) are providing training to agencies and their support to the central financial offices is ongoing. The Office of Pay and Retirement Services (OPRS) continues to meet all payrolls on time, and is heavily involved in the Districts' ASMP project.

OFOS Programs

We continue to routinely produce the Comprehensive Annual Financial Report (CAFR). We are publishing interim and year-end closing instructions on the intranet, which allow agencies to electronically download instructions and submit the majority of requirements electronically. This method facilitates review of instructions by agencies and allows timely feedback from them for clarification and improvements.

In FY 2006, we will continue to provide general SOAR training for employees, as well as targeted training to assist agencies with their specific accounting requirements. Specialized training is being conducted, and other training tailored to meet agencies' requirements is planned.

The Accounting Systems Management program remains strong. ASMs are assigned to agencies, not only to advise on day-to-day recording of accounting transactions, but also to provide on-the-spot training. Throughout the interim and year-end closings, ASMs will review agency closing packages to ensure their completeness and accuracy. ASMs, along with other OFOS staff, have formed temporary trouble-shooting teams to assist specific agencies as required and/or requested.

The Financial Control & Reporting Division (FCRD) of OFOS continues to ensure that the data submitted by, and financial activities of all the District agencies are competently summarized and presented in accordance with the pronouncements of the Governmental Accounting Standard Board (GASB). This will strengthen the routine preparation of the CAFR and ensure continued clean opinions. Further, the

FCRD continues to update and document the District wide accounting and financial policies and procedures.

In FY 2006, this office will continue to support the efforts of the District's Administrative Systems Modernization Program (ASMP), by providing expert knowledge in payroll processing and accounts payable operations; and approving all ASMP interfaces into SOAR.

The Office of Pay and Retirement Services (thru OPRS) continues to meet bi-weekly with the US Treasury Department and the DC Retirement Board to transition its benefits administration fiduciary responsibility for police officers, firefighters, teachers and their survivors, by October 1, 2005. With the enactment of the "Office of Financial Operations and Systems Reorganization", the Office of the Chief Financial Officer transfers the following responsibilities to the DC Retirement Board:

- Processing retirement applications and applications for post employment program benefits,
- Calculating annuities and administering post employment related benefits,
- Preparing the monthly accounting of annuity payments and refunds,
- Assisting in the annual independent financial audit(s),
- Engaging actuarial services to perform valuations of the retirement funds and benefit programs, and
- Providing direct customer services to the annuitants noted above.

The Office of the Chief Financial Officer (OPRS) retains the authority and responsibility, as outlined in the President's Revitalization Act, for generating

monthly annuity checks to law enforcement police and their survivors (US Park Services, US Secret Service, and White House Police). This office also conducts salary history verification for District employees retiring under the federal Civil Service Retirement System (prior to submission of their retirement applications to the US Office of Personnel Management). After the reorganization the FTE strength of the Retirement Division, OPRS, will be reduced from 16 to 7.

This concludes my formal testimony for the record. I will be happy to answer any questions you or the other members may have.

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